

OFFICIAL

Emissions Reduction Plan

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Acknowledgement of Country

The Net Zero Economy Authority acknowledges the Traditional Custodians of Country throughout Australia and their continuing connection to land, waters, skies and community. We pay our respects to their Elders, past and present, and extend that respect to all Aboriginal and Torres Strait Islander peoples.

Accountable Authority Sign Off

The Australian Government released the Net Zero in Government Operations Strategy in November 2023, setting out the overall approach and action required by Commonwealth entities to achieve the APS Net Zero 2030 target.

The Net Zero in Government Operations Strategy represents a strong commitment by the Australian Government to lead by example on emissions reduction and contribute to the decarbonisation of Australia's economy.

The Net Zero Economy Authority is committed to the achievement of the Government's APS Net Zero 2030 target. The Net Zero Economy Authority is following the APS Net Zero 2030 target in full, as per the Net Zero in Government Operations Strategy.

This Emissions Reduction Plan describes the priorities and actions the Net Zero Economy Authority is taking to reduce our operational emissions and contribute to the APS Net Zero 2030 target.

On behalf of the Board,

Dr Iain Ross AO

Chair, Net Zero Economy Authority

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Emissions Reduction Plan

Purpose

The Net Zero Economy Authority (the Authority) is responsible for managing and implementing emissions reduction initiatives set by the Australian Government's <u>Net Zero in Government Operations Strategy</u> (the Strategy) developed by Department of Finance. The Strategy sets out the Australian Government's approach to achieving net zero greenhouse gas emissions from its operations by 2030 and the reinstatement of public emissions reporting.

The goal of this Emissions Reduction Plan is to provide a pathway for the Authority to contribute to the achievement of the APS Net Zero 2030 target. This plan encompasses existing and new priorities and actions undertaken by the Authority to reduce emissions.

This Emissions Reduction Plan has been completed in accordance with the Strategy, associated guidance and reporting standards for annual emissions reporting.

Net zero greenhouse gas emissions

APS Net Zero 2030 is the target set by the Australian Government to achieve net zero greenhouse gas emissions from government operations by the year 2030. It includes scope 1 and scope 2 emissions from activities in Australia and its territories, as described in the Strategy. The APS Net Zero 2030 target applies at the aggregate level to non-corporate Commonwealth entities and generally covers the entirety of the entity's organisation. From an organisational perspective, this means minimising the greenhouse gas emissions that are within our control.

Governance and reporting

Progress against actions identified within this Emissions Reduction Plan, and any additional measures adopted, will be included in our annual reports. This, combined with annual emissions reporting, will be used as a measure of the Authority's progress towards reducing its emissions.

As part of its Net Zero in Government Operations Annual Progress Report, the Department of Finance will aggregate these measures to provide whole-of-Australian Government emissions reporting.

Future iterations of this plan will align with the best practice advice about the use of offsets and climate disclosure requirements, currently under development by the Department of Finance.

Our operational context

The Authority is a non-corporate Commonwealth entity established by the *Net Zero Economy Authority Act 2024*. The Authority commenced on 11 December 2024. The Authority is currently operationally part of the Department of the Prime Minister and Cabinet (PM&C), and will be off-boarding from PM&C onto its own systems in the 3rd quarter of 2025.

We currently employ around 130 staff, of whom around 60 per cent are based in Canberra, 30 per cent are based in Sydney and the remainder work remotely.

We sub-lease office space in Canberra from the National Indigenous Australians Agency (NIAA) and in Sydney from the Australian Trade and Investment Commission (AusTrade). Both leases expire on 30 June 2026.

The Canberra sublease includes 15 dedicated car spaces, while the Sydney office sublease does not include any car parking spaces. We also offer hybrid and remote working arrangements for all staff.

We also sublease single desk office space from the Australian Securities and Investments Commission (ASIC) in Melbourne and AusTrade in Brisbane. Given their very small size, these spaces are accounted for in the Emissions Reduction plans prepared by ASIC and AusTrade.

The NABERS Energy Base Building rating for the Canberra office is operating at 5.5 stars. The Sydney office is operating with a NABERS Energy Base Building rating of 6 stars and is currently the subject of a project planned to achieve full electrification of the building by 2028.

To deliver the Authority's statutory functions, we are prioritising regions, communities and workers within Australia who are most affected by the transition to a net zero emissions economy. To properly support and meaningfully engage, we are committed to regular inperson engagements with community members, local governments, industry and First Nations representatives. This means that some staff travel regularly to our priority regions.

Baseline emissions

As the Authority has only recently been established, we have not yet completed our first emissions accounting period. We are currently working with the Department of Finance, NIAA and AusTrade to establish our baseline emissions.

Once finalised, we will report our baseline emissions in our inaugural 2024-25 Annual Report, which will be published at the same time as an updated Emissions Reduction Plan that focuses on scope 1 and scope 2 emissions, consistent with the APS Net Zero 2030 target.

Engagement

In the development of this plan the Authority has been working with

- Department of Finance
 - » Climate Action in Government Operations to ensure that this plan aligns with the Net Zero in Government Operations Strategy and the Commonwealth Climate Disclosure requirements
- NIAA
- AusTrade
- Internal Travel Team to discuss options and considerations for lowering travel emissions.

Emissions reductions targets

The Authority is following the APS Net Zero 2030 target in full, as per the Net Zero in Government Operations Strategy. The target covers the entirety of our entity's operations

within Australia and its territories for scope 1 and scope 2 emissions, as described in the Strategy.

Following the finalisation of our baseline data, we expect to be able to achieve a reduction in its Scope 1 carbon emissions through continual improvements in technology. For example, the availability of suitable electric or hybrid passenger vehicles that can safely travel long distances in regional Australia will allow Authority staff to preference hiring such vehicles when travelling in the regions.

A reduction in our scope 2 emissions will largely be achieved through the procurement of electricity through the new whole of Australian Government Electricity procurement arrangements.

The Authority will also continue to consider practicable opportunities for decarbonisation, including utilising low emissions travel where possible, through considering sustainability in our procurement practices, and by working with AusTrade and NIAA regarding relevant energy and waste measures depending on feasibility and availability.

As we move closer to 2030 the Authority will ensure it has net zero emissions. If we have residual emissions for which there is no other feasible method to extinguish, we expect to be able to negate these by using robust and credible offset methods.

Priorities and actions

For the Authority to contribute to the achieving the APS Net Zero 2030, we need targeted action on existing emissions reduction measures and the introduction of new measures.

We have summarised our actions below:

Energy

ACTION:

The Authority will work with the Department of Finance to ensure our participation in the
whole of Australian Government renewable electricity procurement that is due to
commence on 1 July 2025, and to utilise contracts where available and permitted under
leases and market conditions in relevant States and Territories.

Buildings

The APS Net Zero Target includes a requirement that office buildings have a NABERS energy rating of 5.5 stars.

In its <u>Emissions Reduction Plan</u> the NIAA has indicated that it will seek to incorporate green leases and NABERS Energy targets of 5.5 stars in future office leases, for office space of 1,000m² or more from 1 July 2025.

ACTION:

- For any future approach to market for office space to be leased for two or more years, the Authority will include a requirement that the NABERS Energy Base Building rating maintains at least 5.5 stars.
- Any future lease negotiations by the Authority that are outside of NIAA or AusTrade sublease arrangements, will consider the following as lease incentives:
 - » Rooftop solar
 - » LED lighting
 - » Full electrification of landlord services

- » EV charging stations
- » End of trip facilities such as bike racks and changes rooms
- Any future office fit outs will include strategies to reduce energy consumption, including by installing LED lighting and electrifying services that fall outside of landlord responsibility where possible.
- In relation to the Canberra office, provide assistance to the NIAA if required to help it achieve a green lease and 5.5 star NABERS tenancy energy rating.
- The Authority will continue to monitor and review office space utilisation by staff arising from flexible working arrangements to support greater efficiency of office space and to support any future requirement for additional leased or sub-leased tenancies.
- The Authority will progressively retire old ICT and kitchen equipment and replace these with high efficiency alternatives.
- The Authority supports reuse, recycling and donation schemes to keep items from being sent to landfill. For example, supporting building waste provisions for recycling paper, plastics and organic waste. The Authority is also part of a recycling program for printer toner cartridges.

Travel

The Authority encourages the use of teleconferencing and videoconferencing as an effective way to communicate. However, travel to our priority regions throughout Australia is an essential part of our work and is often the most effective way to establish the connections and detailed understanding of regional communities' needs and opportunities.

ACTION:

- Given our recent establishment, the Authority currently adheres to the travel policy of PM&C. When in line with the PM&C travel policy, the Authority encourages staff to consider greenhouse gas emissions information when making travel plans by:
 - » selecting low or zero emission vehicles when hiring cars
 - » opting for accommodation that has a high NABERS energy rating
 - » avoiding multi-leg flights where value for money can be demonstrated as take-off and landing are the most fuel-intensive parts of a flight
 - » taking low-emission transport to and from airports.
- The Authority is currently developing its own staff travel policy that is in line with the <u>Net Zero in Government Operations Strategy</u>. It is envisaged that this strategy will be in place in late 2025 and will mandate consideration of greenhouse gas emissions and guide staff through options for low emissions travel where possible.

Fleet

The Authority currently has no fleet vehicles and there are no plans to obtain fleet vehicles.

ACTION:

If the need for fleet vehicles does arise in the future, the Authority will preference the lease and/or purchase of zero emissions passenger vehicles where operationally viable.

ICT

Once the Authority has off-boarded from PM&C in the 3rd quarter of 2025, we will be operating via Microsoft 365 and Azure cloud based services that have their <u>own sustainability program</u>. This means that we will not rely on managed data centres and will be able to leverage the inherent energy and carbon emission efficiencies of ICT cloud services.

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Sustainable procurement

ACTION:

The Authority is currently drafting a Procurement Policy that will be finalised in the 3rd quarter of 2025. The Procurement Policy will comply with the Government's Environmentally Sustainable Procurement Policy that commenced on 1 July 2024 to achieve and demonstrate climate, environmental and circularity outcomes in the Authority's procurements.

People, Culture and Capability

ACTION:

- The Authority will raise staff awareness through:
 - » Encouraging staff to undertake APS Academy training courses relating to the Net Zero in Government Operations Strategy.
 - » The integration of sustainability education into existing programs, for example through mandatory induction programs.





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